

increase of about 17.7% over the level of Rs. 26,351 crores for the year 1995-96.

[English]

Sharing of Tax

1611. SHRI NAND KUMAR SAI : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have decided recently to increase the share of States in all tax-revenue from the current financial year; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) : The Tenth Finance Commission (TFC) had recommended an alternative scheme of sharing of Centre's tax revenue between the Centre and the States. The Ministry of Finance had brought out a discussion paper on the alternative scheme and tabled this paper in Parliament on December 20, 1996. The alternative scheme of TFC has been discussed in the meetings of the Standing Committee of the Inter-State Council and during the third meeting of the Inter-State Council held on July 17, 1997, it has been decided to adopt the consensus to accept the alternative scheme of 29% devolution w.e.f. 1.4.1996 proposed by the Tenth Finance Commission with one modification. The percentage share of vertical devolution may also be reviewed by successive Finance Commissions instead of freezing it for fifteen years, as suggested by the TFC. Further, this percentage may be reviewed sometime in December, 1997 or January, 1998 with a view to consider improvement in the States' share.

Violation of Article 14 in Case of Undertrails

1612. SHRI AJOY MUKHOPADHYAY : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government are aware that most of prisoners in the country comprise 90 per cent undertrials who are presumed guilty and deprived of the benefits admissible under the law of the country;

(b) if so, the reasons for violation of Article 14 of the Constitution; and

(c) the steps taken/proposed to be taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) The requisite information is being collected and will be laid on the Table of the House.

Seizure of Silver

1613. SHRIMATI BHAVNABEN DEVRAJ BHAI CHIKHALIA :

SHRIMATI PURNIMA VERMA :

Will the Minister of FINANCE be pleased to state:

(a) the quantity and the value of illegally brought silver seized during the current year and the details of places where it was seized;

(b) the number of persons arrested in each case;

(c) whether involvement of some gangs of smugglers have been detected in this regard;

(d) if so, the details thereof AND the modus operandi of smuggling by them; and

(e) the steps taken or proposed to be taken by the Government to check such type of smuggling?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI SATPAL MAHARAJ) : (a) to (e) The information is being collected and will be laid on the Table of the House.

Expert Group of Income Tax

1614. SHRI SONTOSH MOHAN DEV : Will the Minister of FINANCE be pleased to state :

(a) whether the Expert Group of Income Tax has suggested to adopt Singapore model in regard to the incidence of tax evasion;

(b) if so, the suggestions made by the expert group; and

(c) the extent to which these have been considered and are being implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) Yes Sir, the Expert Group set up to rewrite Income-tax Act has suggested that Section 33 of the Singapore Income tax Act with a few changes should be adopted in the Indian Income-tax Act as a special anti-avoidance provision which will cover cases other than the cases of outright tax evasion. The Group's recommendations are contained in Chapter-VIII of its report.

(c) Presently, the Expert Group is preparing a draft Bill based on its recommendations. After the Bill is ready, it is proposed to throw it open for public debate and thereafter a new Income-tax Bill, with suitable modifications, is likely to be introduced in the Parliament in the Winter Session later this year.

Rubber Cultivation

1615. SHRI RAMESH CHENNITHALA : Will the Minister of COMMERCE be pleased to state :

(a) the estimated rubber cultivation in the country;

(b) whether there is any plan to increase the production in the non-traditional areas;

- (c) if so, the details thereof; and
- (d) the details of assistance being provided to farmers from the Rubber Board?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) The estimated area under rubber cultivation in the country, at the end of 1996-97 was 5,33,000 ha.

(b) and (c) Yes, Sir. During the 9th Plan period, the Rubber Board targets to bring additional 35,000 ha. under rubber cultivation in the non-traditional areas.

(d) The Rubber Board provides free technical assistance to all categories of growers at all stages of rubber planting, maintenance, harvesting, processing of latex, etc.

Apart from this, planting grant @ Rs. 8,000/- per ha. for growers owning up to 2 ha. in traditional areas and upto 5 ha. in non-traditional areas and also incentive for use of advance Planting materials @ Rs. 3,000/- and Rs. 4,000/- per ha. for general and SC/ST category of growers, are also given to the growers.

In addition to the above, the Board also renders financial assistance to growers under different extension schemes for the scientific upkeep of plantations and proper processing of latex produced from rubber plantations.

Meeting at Geneva Over Indian Import

1616. SHRI L. RAMANA : Will the Minister of COMMERCE be pleased to state :

(a) the outcome of talks held recently at Geneva between India and its major partners contract over Indian Import on consumer and other goods; and

(b) revised plan to face the situation as well as objections raised ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) and (b) As per the decision taken at the meeting of the Committee on Balance of Payments Restrictions of the World Trade Organisation (WTO) held on 20-21 January, 1997, India presented a plan for the elimination of quantitative restrictions maintained for balance of payments purposes to the WTO on 19 May, 1997. This Plan was considered at the resumed consultations with India of this Committee on 10-11 June, 1997, when due to divergence of opinion among Members of the Committee on the length of the plan and on the issue of disinvocation of balance of payments cover by India, it was agreed to suspend the deliberations till 30 June -1 July, 1997.

At the resumed consultations also divergence of views on the overall time period of plan and on the number of tariff lines to be freed during the earlier years of the plan persisted. The resumed consultations concluded without consensus on 30 June -1 July, 1997.

Australia, Canada the European Communities, New Zealand, Switzerland and the United States of America, in separate requests, have sought formal consultations with India under Article XXII of GATT 1994 and the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) alleging that continued maintenance of quantitative restrictions on imports for balance of payments purposes by India when there have been improvements in India's balance of payments is inconsistent with India's obligations under the WTO. India has accepted the requests for consultations.

Review on Flow of Credit to Small Scale Industries

1617. SHRI BHAGWAN SHANKAR RAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether the Public Sector Banks particularly the Bank of Baroda have been asked to review the progress of action plan announced by the Government in the budget regarding flow of credit to Small Scale Industries; and

(b) if so, the details thereof and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) The Reserve Bank of India (RBI) has reported that all the public sector banks including Bank of Baroda were advised by it to implement the Seven Point Action Plan to improve the flow of credit to Small Scale Industries. (SSI) Sector announced in the Budget for the year 1995-96. Banks have also been advised by RBI to send monthly progress reports. Progress made in the implementation of the Plan is being reviewed periodically by RBI.

Cotton Control Orders

1618. SHRI YELLAIAH NANDI : Will the Minister of TEXTILES be pleased to state :

(a) whether the Union Government propose to modify the Cotton Control Orders, 1986;

(b) if so, the details thereof; and

(c) by what time the final decision is likely to be taken?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (c) : A Bill has been introduced in the Lok Sabha on 25th July, 1997 to repeal the Cotton Ginning and Pressing Factories Act, 1925, as amended. With the repeal of said Act, in need be, the Cotton Control Order, 1986 may be amended.

[Translation]

J.K. Jute Mills

1619. SHRI JAGAT VIR SINGH DRONA : Will the Minister of TEXTILES be pleased to state :